GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:3721
ANSWERED ON:21.03.2001
DELAY IN PAYMENTS TO SSI
ANANDRAO ADSUL

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether it is proposed to provide for special mechanism, including Industry Facilitation Councils at State level for settlement of disputes regarding delayed payments in Small Scale Industrial Sector;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) to (c): Industry Facilitation Councils (IFCs) already exist in various States to facilitate speedy and simple redressal and recovery process to Small Scale Industries (SSIs). These IFCs aim at amicable settlement of disputes regarding delayed payments between buyers and SSI sellers. In addition, other supportive measures such as amendment to Section 641 of the Companies Act, 1956 requiring companies to disclose in their balance sheet name(s) of the SSI undertaking(s) to whom the company owes more than Rs. 1 lakh outstanding for more than 30 days and encouraging factoring services through SIDBI have also been taken.